

# **Commonwealth of Kentucky**

**Department of Insurance**

**Agent Licensing Division**

**P. O. Box 517 - Frankfort, Ky. 40602**

**502-564-6004**

**<http://insurance.ky.gov>**

## **FINANCIAL RESPONSIBILITY LETTER OF CREDIT**

**(Form 99-2)**

This form is available only to financial institution representatives. If you are an authorized representative, please send your written request to:

**[DOI.AgentLicensingMail@ky.gov](mailto:DOI.AgentLicensingMail@ky.gov)**

A Letter of Credit may be used to satisfy financial responsibility requirements for licensees, as required by KRS 304.9-105, 304.9-330(1), 304.10-140(1), and 304.15-700. This form ensures that the licensee has caused the financial institution to establish an irrevocable letter of credit to an account of the Commissioner of Insurance in the sum of at least the statutorily required amount for the sole purpose of serving as a deposit of cash with the Commissioner in demonstration that the licensee is financially responsible to exercise the license in Kentucky. The letter of credit shall be payable only upon the order of the Commissioner certifying that the licensee has caused loss or injury to persons as the result of erroneous acts or failure to act in his or her business under the license.

It is a condition of the letter of credit that it shall be automatically extended for an additional period of one (1) year from the present or each future expiration date unless sixty (60) days prior to such date the financial institution shall notify the Commissioner and the licensee that the financial institution elects not to renew this letter of credit for such additional period. Upon receipt by the Commissioner of such notice, the Commissioner may draw on the financial institution prior to the expiration date, by means of the Commissioner's draft on the financial institution for an amount not to exceed the unused balance of this letter of credit.

Please verify agent status through our website at <http://insurance.ky.gov> and through eServices account.